



# City of San Antonio

## Legislation Details (With Text)

**File #:** 21-2912

**Type:** Misc - Financial Services

**In control:** City Council A Session

**On agenda:** 5/13/2021

**Title:** Ordinance approving a Financial Underwriter Syndicate selected from the Financial Underwriting Pool for the City Tower related financings which are anticipated to occur in FY 2021. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Draft Ordinance, 2. Exhibit I, 3. Ordinance 2021-05-13-0346

Date	Ver.	Action By	Action	Result
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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-wide

**SUBJECT:**

Approving a Financial Underwriter Syndicate

**SUMMARY:**

This ordinance approves a Financial Underwriter Syndicate selected from the Financial Underwriting Pool for the City Tower related financings which are anticipated to occur in FY 2021.

**BACKGROUND INFORMATION:**

The City established a Financial Underwriting Pool (“Underwriting Pool”) comprised of firms to be utilized for the selection of underwriting syndicates for financial transactions effectuated by the City over the term of the Underwriting Pool. Once a potential bond financing transaction is identified, an underwriting syndicate is selected from firms within the Underwriting Pool. Their roles will be determined based on performance and innovative ideas presented to the City and to the City’s Co-Financial Advisors in addition to other considerations including capital position and sales and distribution capabilities. Firms included in the

Underwriting Pool can potentially serve in the capacity of Senior, Co-Senior, or Co-Managing Underwriter.

The Finance Department and the City's Co-Financial Advisors met to review and finalize recommendations for the Financial Underwriter Syndicate for the City Tower related financings including: 1) Remarketing of City of San Antonio, Texas Variable Rate Combination Tax and Revenue Certificates of Obligation, Taxable Series 2016 and 2) City of San Antonio, Texas Local Government Finance Corporation Contract Revenue Bonds, Series 2021.

The Proposed Financial Underwriter Syndicate is included in Exhibit I.

In the development of the proposed syndicate for these transactions, consideration was given to the following:

1. Background and expertise of firm, lead banker, and lead underwriter.
2. Performance on past City financing transactions.
3. Capitalization and the firm's willingness to commit capital in recent transactions.
4. Expertise and experience in specific types of transactions.
5. Sales and distribution capabilities.

#### **ISSUE:**

The selection of the Proposed Financial Underwriter Syndicate is consistent with the City's previous actions to employ underwriting syndicates to market and underwrite the City's debt obligations as well as to assist in the design and structuring of such obligations.

#### **ALTERNATIVES:**

The City could choose to delay the selection of the Financial Underwriter Syndicate; however, that decision would delay the City Tower related financing transactions which are anticipated to occur in FY 2021.

#### **FISCAL IMPACT:**

Fees for financial underwriting services pertaining to the issuance of debt obligations are paid from the proceeds derived from the issuance and sale of such obligations. Therefore, there is no impact on the City's Operating Budget.

#### **RECOMMENDATION:**

Staff recommends approval of the Financial Underwriter Syndicate selected for financings planned for FY 2021.